

LOCAL AGENCY FORMATION COMMISSION COUNTY OF SAN BERNARDINO

175 West Fifth Street, Second Floor, San Bernardino, CA 92415-0490

• (909) 387-5866 • FAX (909) 387-5871

E-MAIL: lafco@lafco.sbcounty.gov

www.sbclafco.org

DATE: FEBRUARY 6, 2006

FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer

TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #6: Consideration of LAFCO 2919 – Service Review and Sphere of Influence Update for San Bernardino Valley Water Conservation District (Continued Hearing)

INITIATED BY:

Local Agency Formation Commission

RECOMMENDATION:

That the Commission:

1. Determine whether or not to continue the matter to the March 15, 2006 hearing as requested by Commissioner Hansberger.
2. If the determination is to continue with its consideration at the February hearing and, after reviewing the report of the Stakeholders Committee and the San Bernardino Valley Water Conservation District response, the Commission supports the staff's position that the concept of a basin-wide water conservation entity should be pursued, staff recommends that it:
 - a. Determine that the designation of a zero sphere of influence for the San Bernardino Valley Water Conservation District is statutorily exempt from environmental review and direct the Clerk to file a Notice of Exemption within five days;
 - b. Designate a zero sphere of influence for the San Bernardino Valley Water Conservation District indicating that it is the position of the Commission that the District should ultimately consolidate with another agency; and,

- c. Adopt LAFCO Resolution #2893 setting forth the Commission's findings and determinations related to this consideration.
3. However, if the Commission determines that the Stakeholders Committee report, the response from the San Bernardino Valley Water Conservation District and additional materials show affirmation of the District's existing sphere of influence or a coterminous sphere of influence is the appropriate action, it may take the following actions to close this consideration:
 - a. Determine that the affirmation of the District's existing sphere of influence or the amendment to a coterminous sphere of influence through LAFCO 2919 is statutorily exempt from environmental review and direct the Clerk to file a Notice of Exemption within five days;
 - b. Make the findings related to a service review required by Government Code Section 56430 and determine that the sphere of influence for the San Bernardino Valley Water Conservation District should be affirmed in its present configuration or amended to be coterminous with the District's boundaries; and,
 - c. Defer adoption of the resolution making these determinations to the consent calendar for the March 15, 2006 Commission hearing.

BACKGROUND:

Attachment #1 to this report is a letter, dated January 25, 2006, from Supervisor and Commissioner Hansberger requesting that the Commission accept the materials presented related to this item and then continue its consideration to the March 15, 2006 Hearing so that he may participate in the consideration. A decision on this request will be the first determination required of the Commission. Staff has no recommendation on this matter as it is a policy decision for the Commission.

The current consideration is a continued hearing by the Commission. At the September 21, 2005 Commission hearing, the action taken was to indicate the Commission's intent to adopt the staff's recommendation, which was to determine that the Commission's decision was exempt from CEQA and to adopt a zero sphere of influence for the San Bernardino Valley Water Conservation District (hereinafter SBVWCD) and continue the matter to the February 15, 2006 hearing to request that a committee of stakeholders respond to three questions:

1. The effectiveness and efficiency of a potential future successor agency through consolidation;
2. Can the pre-1914 water rights of the SBVWCD be transferred in any future consolidation; and,
3. The preservation of the Wash Plan or Plan B currently in progress.

At the November 16, 2005, hearing an additional question was posed to the Committee for discussion and response:

Is there any incompatibility in having the San Bernardino Valley Municipal Water District (hereinafter MUNI) administer both the Western Judgment and the Conservation District's traditional water recharge role, or in having MUNI serve both as the importer of State Project Water and the party primarily controlling the native water for groundwater recharge?

In addition, at the November hearing the makeup of the stakeholders Committee was expanded by the Commission to specifically include the Western Municipal Water District and the City of Highland. Copies of the minutes related to these hearings are included as a part of Attachment #2 to this report.

As directed by the Commission at the September 21, 2005 hearing and thereafter, the Committee has met on numerous occasions and discussed the four questions on which they were charged to respond. Attached to this staff report is a copy of the Committee Report (Attachment #3) representing the majority position of its membership outlining the response to the four questions.

Attachment #4 to this report is the response submitted on February 6th by the SBVWCD. Staff was able to review the materials submitted by the SBVWCD in a cursory manner, but would like to clarify one point at this time related to the materials submitted. The portion of the document entitled "Position Paper on LAFCO Matter 2919", on page 3, states that the City of Riverside "is (1) not within the boundaries of the Municipal Water District and (2) pays no taxes...". Staff would clarify that the City of Riverside has extensive land holdings within San Bernardino County that are a part of the Municipal Water District throughout the Santa Ana River area and pays taxes. Specifically, staff has reviewed two parcels owned by the City of Riverside against the County of San Bernardino's Assessment Rolls and Tax Bills. This review shows the following:

ASSESSOR PARCEL NUMBER	OWNER NAME	LAND VALUE 2004-05	GENERAL TAX LEVY 2004-05	SBVMWD DEBT SERVICE
0141-421-18	City of Riverside	\$18,500	\$185.00	\$25.90
0141-431-18	City of Riverside	\$ 3,906	\$30.96	\$4.95

So the statement that if the groundwater charge were to be removed from the City of Riverside, "all other taxpayers in the Municipal Water District will subsidize the City of Riverside" is inaccurate. It should also be noted that the City of Riverside currently has well sites within the boundaries of SBVWCD, as evidenced by their payment of the District's groundwater assessment charge; therefore, their payment of general levy taxes would also support the SBVWCD.

LAFCO staff has attended all of the Committee meetings, provided staff support in the preparation of the Committee Report, and has reviewed the response presented

by the SBVWCD. The information provided has not changed the staff's position that the Bunker Hill Basin should be considered as a single unit when evaluating agencies with recharge responsibilities or operations. It remains our position that the ability to maximize recharge efforts should be coordinated at the regional level, or basin-level. Given the discussion in the past regarding the expansion of the SBVWCD sphere of influence to include the whole of the Basin and the absence of support or desire for such action by SBVWCD or the water producers, the consolidation of the SBVWCD with a regional entity was, and still is, considered the appropriate planning decision by LAFCO staff. As outlined in the staff reports presented on this matter, following discussion with other regional entities with recharge authority, the potential for consolidation with either San Bernardino County Flood Control District or MUNI, the appropriate agency to be considered for consolidation was determined to be MUNI. The Flood Control District indicated, as included in the staff report for the August 17, 2005 hearing, that its mission of moving water through the area of the Santa Ana River as quickly and safely as possible did not coincide with the mission of SBVWCD to hold those waters for recharge of the Basin.

As outlined in the prior reports, the staff's position responds to the basic question which has been articulated throughout these considerations:

“Why are there three overlapping agencies within this portion of the Bunker Hill Basin of the eastern San Bernardino Valley authorized to provide water conservation services? And is this appropriate?

Staff's response is that the regional service of water recharge should be addressed regionally and the overlapping of agencies is not appropriate.

The staff's review of the factors related to a municipal service review, as identified in Government Code Section 56430, and a sphere of influence update, as identified in Government Code Section 56425, has been provided to the Commission previously in reports presented on March 16th, August 17th, and September 21st 2005 and are not reiterated in this report.

CONCLUSION:

Based upon the information included in the reports presented to the Commission during its hearings on the Municipal Service Review and Sphere of Influence Update, LAFCO 2919, the Committee Report, and response by the SBVWCD, along with the policy directions of the State Legislature to LAFCO to develop the most efficient and effective service boundaries for agencies, LAFCO staff's recommendation remains that the Commission should amend the sphere of influence of the SBVWCD to a zero sphere, indicating that its planning perspective is that, over time, the agency should join with another.

Staff reiterates that its recommendation does not initiate the consolidation; it does not change the area in which the SBVWCD currently provides its services; does not

change its current operations or responsibilities related to the Wash Plan, Big Bear Watermaster, or Exchange Plan administration; nor does it eliminate the groundwater charge. Its intent is to fulfill the Commission's planning function as outlined by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The staff's position is not taken on the basis that the District is mismanaged or derelict in the performance of its responsibilities; the District is well-managed and performs its responsibilities. It is taken in response to State directives to look at the efficient and effective operations in a regional context.

However, if after reviewing the materials and the presentations at the hearing, the Commission does not support the staff's recommendation and believes that sufficient information has been presented to support retention of the District's sphere of influence, it can:

1. Affirm the District's existing sphere which includes approximately 1,980 acres outside its existing boundaries within the Santa Ana River, stretching from approximately Boulder Avenue on the east to the junction of the I-215 and I-10 freeways on the west; or,
2. It can establish a sphere of influence coterminous with the District's existing boundaries. This action would remove the ability of the District to expand its boundaries without a subsequent sphere of influence application and review.

KRM/

Attachments:

1. Letter from Commissioner Hansberger Requesting Continuance of the Consideration
2. Minutes from Commission Hearings Dated March 16, 2005, August 17, 2005, September 21, 2005, and November 16, 2005
3. Committee Report
4. SBVWCD Response to Committee Report
5. Maps of San Bernardino Valley Water Conservation District and Related Agencies
6. Responses from Commission Environmental Consultant, Tom Dodson of Tom Dodson and Associates
7. Draft LAFCO Resolution #2893